# RECIPROCAL TRANSPORT AND TERMINATION AGREEMENT

This Reciprocal Transport and Termination Agreement (the "Agreement") is entered into as of the 1st day of March 2004, by and between the entities listed on the signature page of this Agreement, each having an office and principal place of business at 180 Washington Valley Road, Bedminster, NJ 07921 (collectively "Verizon Wireless") and Midcontinent Communications with offices at 5001 W 41st Street, Sioux Falls, SD 57106 ("Carrier"). Verizon Wireless and Carrier are each individually a "Party" and are together the "Parties" to this Agreement. This Agreement is effective as of March 1, 2004.

WHEREAS, Verizon Wireless is licensed by the Federal Communications Commission ("FCC") as a Commercial Mobile Radio Services ("CMRS") provider.

WHEREAS, Carrier is a Competitive Local Exchange Carrier ("CLEC") holding a certificate of authority to provide local exchange telecommunication services in the States of North Dakota, South Dakota, and Minnesota.

WHEREAS, Carrier and Verizon Wireless currently extend and desire to establish arrangements to one another for the exchange of wireline to wireless and wireless to wireline Traffic between their respective networks for the benefit of the Parties.

WHEREAS, the Parties wish to put in place an arrangement for the mutual exchange and reciprocal compensation of telecommunications traffic in accordance with the Act, and which is intended to supersede any previous arrangements between the Parties relating to such traffic.

NOW, THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Verizon Wireless and Carrier hereby agree as follows:

- Definitions. As used in this Agreement, the following terms shall have the meanings specified in this Section.
  - 1.1 "Act" means the Communications Act of 1934 (47 U.S.C. 151 et seq.), as amended, including the Telecommunications Act of 1996, and as from time to time interpreted in the duly authorized orders and regulations of the FCC.
    - 1.2 "CMRS" or "Commercial Mobile Radio Service" is as defined in the Act.
    - 1.3 "Commission" means the North Dakota Public Utilities Commission.
  - 1.4 "FCC Order" means the FCC's First Report and Order, In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, rel. August 8, 1996 and the regulations promulgated thereunder.
  - 1.5 "ISP Remand Order" means the FCC's Order on Remand and Report and Order, In the Matter of Implementation of the Local Competition Provisions of the

Telecommunications Act of 1996, Intercarrier Compensation for ISP Bound Traffic, FCC 01-131, CC Docket Nos. 96-98 and 99-68 and the regulations promulgated thereunder.

- 1.6 "Local Traffic" means the completion of wireless to wireline and wireline to wireless calls which originate and terminate within the same MTA based on the location of the cell site serving the wireless subscriber and the central office for the landline end-user.
- 1.7 "Major Trading Area" (MTA) means a geographic area established in Rand McNally's Commercial Atlas and Marketing Guide and used by the FCC in defining CMRS license boundaries for CMRS providers for purposes of Sections 251 and 252 of the Act.
- 1.8 "Non-Local Traffic" means the completion of interMTA calls based on the location of the cell site serving the wireless subscriber and the central office for the landline end-user.
- 1.9 "Reciprocal Compensation Credit" means a monetary credit for wireline to wireless Traffic which is originated by a landline subscriber of Carrier and terminates to a subscriber of Verizon Wireless within the MTA.
- 1.10 "Traffic" means all Local Traffic and Non-Local Traffic that originates on one Party's network, and terminates on the other Party's network.
- 1.11 "Termination" means the switching of Local Traffic at the terminating carrier's end-office switch, or functionally equivalent facility, and the delivery of such Traffic to the called party.
- 1.12 "Transport" means the transmission and any necessary tandem switching by a Party of Local Traffic from the point of interconnection between the Parties, which point may be via the transit services provided by another carrier, to the terminating carrier's end-office switch or functionally equivalent facility that directly serves the called party.
- 2. <u>Interpretation and Construction.</u> The terms and conditions of this Agreement shall be subject to any and all applicable laws, rules, regulations or guidelines that subsequently may be prescribed by any federal or state government authority. To the extent required by any such subsequently prescribed law, rule, regulation or guideline, the Parties agree to negotiate in good faith toward an agreement to modify, in writing, any affected term and condition of this Agreement to bring them into compliance with such law, rule, regulation or guideline. The headings of the Sections of this Agreement are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning of the Agreement.
  - 2.1 The Parties enter into this Agreement without prejudice to any position they may take with respect to similar future agreements between the Parties or with respect to positions they may have taken previously, or may take in the future in any legislative, regulatory or other public forum addressing any matters including matters,

related to the rates to be charged for transport and termination of Local Traffic or the types of arrangements prescribed by this Agreement.

- 3. Scope. This Agreement addresses the Parties' reciprocal compensation obligations as described in Section 251(b)(5) of the Act. This Agreement relates to the exchange of Local Traffic between the respective networks of Verizon Wireless and Carrier, which uses the tandem switching facilities of a third party for the point of interconnection and where there is no direct connection between Verizon Wireless and Carrier. If Verizon Wireless elects to replace the existing form of indirect interconnection with a two-way or one-way direct connection, the Parties agree to negotiate a separate agreement related to the provisioning and compensation for such facilities. To the extent applicable, the rate contained in Exhibit A shall apply for the remaining term of this Agreement should Verizon Wireless request connection using a two-way or one-way direct connection to Carrier's facilities. By this Agreement, neither Party waives any other rights it may otherwise have under the Act or the rules of the FCC.
- 4. Reciprocal Traffic Exchange. Reciprocal exchange of Traffic addresses the exchange of Traffic between Verizon Wireless subscribers and Carrier end-user customers. Each Party shall reciprocally terminate on its network Traffic originating on the other Party's network. Consistent with Carrier's current practice with Verizon Wireless, either Party's Traffic may be routed through one or more intermediaries for interconnection with the other Party's system and, unless a direct connection is separately negotiated pursuant to the terms of Paragraph 3 of this Agreement, shall transit a tandem switch before reaching Carrier's end office. Reciprocal Traffic exchanged under this Agreement covers only Transport and Termination services provided in association with CMRS services. Other services may be purchased pursuant to Carrier's tariff. The Transport and Termination services provided hereunder are intended for wireless to wireline or wireline to wireless traffic, but not wireline to wireline communications or wireline to non-CMRS traffic for which a certificate of authority is legally required.
- 5. Local and Non-Local Traffic. This Agreement is intended to address the Transport and Termination of Traffic between the Parties. Local Traffic is subject to only the local Transport and Termination charges as described in Section 6 below. The Parties agree the Non-Local Traffic exchanged between the Parties is *de minimis* and neither Party shall bill the other Party for the transport and termination of Non-Local Traffic. In the absence of evidence to the contrary, it shall be assumed that one percent of Traffic (as measured by minutes of use) originated by or terminated by Carrier is Non-Local Traffic.
- 6. Local Transport and Termination Rates. Verizon Wireless and Carrier shall reciprocally and symmetrically compensate one another for Local Traffic terminated to their respective subscribers and end-user customers. The rate for the Termination and Transport of such Local Traffic is set forth on Exhibit A attached hereto. Carrier will be responsible for measuring (currently provided by the tandem operator) the total monthly minutes of use terminating into its network from Verizon Wireless' network. If Verizon Wireless elects to directly bill Carrier under Section 8.1, Verizon Wireless will be responsible for measuring the total monthly minutes of use terminating into its network from Carrier's network. Each Party will only charge the other Party for actual conversation minutes of use based on call party answer to call party disconnect. Minutes of use and/or fractions thereof will be aggregated at the end of

the billing cycle and rounded to the nearest whole minute. The Party collecting revenues shall be responsible for collecting, reporting and remitting all applicable taxes associated therewith.

- 6.1 In the event the Traffic terminated on the Parties' respective networks is de minimis such that the total minutes for which either Party is entitled to compensation is less than 15,000 minutes of use for a three month period (or 5,000 minutes of use for a one month period if Carrier or Verizon Wireless bills monthly), the Parties agree that the only compensation for such Traffic will be in the form of the reciprocal Transport and Termination services provided by the other Party, and no billings will be issued by either Party.
- 7. <u>Compensation</u>. Compensation using the symmetrical rate contained in Exhibit A shall be determined as follows:
  - 7.1 If Verizon Wireless is unable to determine the amount of wireline to wireless Traffic it terminates from Carrier, Carrier will bill seventy-five (75%) of wireless to wireline Local Traffic terminated by Carrier. The twenty-five percent (25%) Reciprocal Compensation Credit is the amount of compensation to Verizon Wireless for wireline to wireless Local Traffic terminated by Verizon Wireless. The Reciprocal Compensation Credit shall appear on Carrier's bill as a credit against the amounts due and payable from Verizon Wireless to Carrier.
  - 7.2 Verizon Wireless may, at its option, request replacement of the Reciprocal Compensation Credit, on a going forward basis, based on the results of a traffic study conducted for a representative sample of exchanges comparable to those operated by Carrier. If the Parties are unable to reach agreement on the adequacy of the sample, or the appropriate percentages to use based on the traffic studies, Verizon Wireless may request resolution of the dispute pursuant to the procedures of paragraph 13 of this Agreement, Dispute Resolution Process.
- 8. <u>Billing and Payment</u>. Carrier shall bill Verizon Wireless on either a monthly or quarterly basis for services provided under this Agreement in accordance with the recurring usage sensitive charge set forth on Exhibit A. Carrier shall include sufficient detail in its invoices to enable Verizon Wireless to reasonably verify the accuracy of the usage and charges. Verizon Wireless shall pay such invoices within forty-five (45) days of receipt of the statement. In the event of a dispute over the amount of the invoice, Verizon Wireless shall pay the undisputed portion and shall not be required to pay the disputed portion pending investigation and resolution of the dispute.
  - 8.1 In the event that Verizon Wireless elects to measure the wireline to wireless Traffic terminated to it by Carrier, Verizon Wireless will directly invoice Carrier for that Traffic applying the rate contained in Exhibit A rather than utilizing the Reciprocal Compensation Credit in Section 7. The billing and payment provisions and time periods set forth in Section 8 above shall apply if Verizon Wireless elects to direct bill Carrier.

- 9. Effective Date. This Agreement is subject to approval by the Commission. Verizon Wireless and Carrier shall work cooperatively and take all steps necessary and proper to expeditiously prosecute a joint application before the Commission seeking approval of this Agreement. Each Party shall be responsible for their own costs and expenses incurred in obtaining approval of this Agreement from the Commission.
- 10. Term. This Agreement shall remain in effect for one (1) year. The Agreement shall automatically renew for additional six (6) month terms, unless either Party gives the other Party written notice of intent to terminate at least thirty (30) days prior to the expiration date of the initial or renewed term.
- 11. <u>Termination Upon Default</u>. Either Party may terminate this Agreement in whole or in part in the event of a default by the other Party, provided, however, that the non-defaulting Party notifies the defaulting Party in writing of the alleged default and the defaulting Party does not cure the alleged default within thirty (30) calendar days of receipt of the written notice thereof. In addition, the Agreement may not be terminated for default without the Commission's approval.
- 12. <u>Liability Upon Termination</u>. Termination of this Agreement for any cause shall not release either Party from any liability which at the time of termination had already accrued to the other Party or which thereafter accrues in any respect for any act or omission occurring prior to the termination relating to an obligation which is expressly stated in this Agreement. The Parties' obligations under this Agreement which by their nature are intended to continue beyond the termination or expiration of this Agreement shall survive the termination of this Agreement.
- 13. <u>Dispute Resolution Process</u>. The Parties desire to resolve disputes arising out of this Agreement without litigation. Accordingly, the Parties agree to use the following dispute resolution procedure as their sole remedy with respect to any controversy or claim arising out of or relating to this Agreement, except for (i) an action seeking to compel compliance with the confidentiality provision of Section 19 or this dispute resolution process or (ii) disputes that fall within the jurisdiction of the FCC or Commission, unless the Parties agree at the time of the dispute to submit the matter to arbitration rather than the FCC or the Commission.
  - 13.1 At the written request of a Party commencing the dispute resolution process described herein, each Party will appoint a representative to meet and negotiate in good faith for a period of sixty (60) days (unless it becomes clear that a voluntary resolution is unlikely) after the request to resolve any dispute arising under this Agreement. The Parties intend that these negotiations be conducted by nonlawyer, business representatives but nothing prevents either Party from also involving an attorney in the process. The location, format, frequency, duration and conclusion of these discussions shall be left to the discretion of the representatives. Upon mutual agreement of the representatives, the representatives may utilize other alternative dispute resolution procedures such as mediation to assist in the negotiations. Discussion and correspondence among the representatives for purposes of these negotiations shall be treated as confidential information developed for purposes of settlement, exempt from discovery and production, which shall not be admissible in the arbitration described below or in any lawsuit without concurrence of both Parties.

- 13.2 If the negotiations do not resolve the dispute within sixty (60) days (sooner if it becomes clear that a voluntary resolution is unlikely) after the initial written request, either Party may bring any claims or actions arising out of the dispute in any lawful forum.
- 13.3 Each Party shall bear its own costs and attorneys' fees as a result of the procedures set forth in this Section.
- 13.4 No claim, demand, dispute or other judicial or administrative action, regardless of form, arising out of or relating to this Agreement may be brought by either Party more than one (1) year after the cause of action arises.
- 14. General Responsibilities of Parties. Each Party is responsible to provide facilities within its respective network which are necessary for routing and terminating Traffic to and from the other Party's network.
- 15. Notice of Changes. If a Party makes a change in its network which it believes will materially affect the inter-operability of its network with the other Party, the Party making the change shall provide at least ninety (90) days advance written notice of the nature of the changes and when the change will occur.
- 16. Warranty. NEITHER PARTY GUARANTEES NOR WARRANTS THE INSTALLATION OF THE FACILITIES, OR ERROR-FREE OR INTERRUPTION-FREE TELECOMMUNICATIONS SERVICE. THIS AGREEMENT EXCLUDES ALL WARRANTIES OF WHATEVER KIND, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
- Limitation of Liability. UNDER NO CIRCUMSTANCES SHALL EITHER 17. PARTY BE LIABLE TO THE OTHER FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING BUT NOT LIMITED TO LOSS OF BUSINESS, LOSS OF USE, OR LOSS OF PROFITS) ARISING IN CONNECTION WITH THIS AGREEMENT. BOTH PARTIES ONLY LIABILITY UNDER THIS AGREEMENT IS FOR DIRECT, ACTUAL DAMAGES RESULTING FROM THE CAUSING PARTY'S CONDUCT OR THE CONDUCT OF ITS AGENTS OR CONTRACTORS IN PERFORMING THE OBLIGATIONS CONTAINED IN THIS AGREEMENT. TO THE EXTENT CARRIER CAUSES VERIZON WIRELESS SUCH DAMAGE, SUCH DIRECT, ACTUAL DAMAGES SHALL NOT EXCEED AN AMOUNT EQUAL TO THE ESTIMATED AMOUNTS VERIZON WIRELESS WILL PAY CARRIER DURING THE INITIAL TERM OF THIS AGREEMENT. TO THE EXTENT VERIZON WIRELESS CAUSES CARRIER SUCH DAMAGE, SUCH DIRECT, ACTUAL DAMAGES SHALL NOT EXCEED AN AMOUNT EQUAL TO THE ESTIMATED AMOUNTS CARRIER WILL PAY VERIZON WIRELESS OR WILL PROVIDE AS A RECIPROCAL COMPENSATION CREDIT TO VERIZON WIRELESS DURING THE INITIAL TERM OF THE AGREEMENT. EACH PARTY'S REMEDIES UNDER THIS AGREEMENT ARE EXCLUSIVE AND ARE LIMITED TO THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT.

- 18. Indemnification. Each Party to this Agreement shall indemnify and hold harmless the other Party with respect to any third-party claims, lawsuits, damages or court actions arising from service under this Agreement, to the extent that the indemnifying Party is liable or responsible for said third-party claims, losses, damages, or court actions. Whenever any claim shall arise for indemnification hereunder, the Party entitled to indemnification shall promptly notify the other Party of the claim and, when known, the facts constituting the basis for such claim. In the event that one Party to this Agreement disputes the other Party's right to indemnification hereunder, the Party disputing indemnification shall promptly notify the other Party of the factual basis for disputing indemnification. Indemnification shall include but is not limited to costs and attorneys fees.
  - 18.1 The indemnifying Party shall have sole authority to defend any such action, including the selection of legal counsel, and the indemnified Party may engage separate legal counsel only at its sole cost and expense. In no event shall the indemnifying Party settle or consent to any judgment pertaining to any such action without the prior written consent of the indemnified Party.
- 19. Confidentiality. The Parties to this Agreement recognize they or their authorized representatives may come into possession of confidential and/or proprietary data about each other's business of networks as a result of this Agreement. Each Party agrees to treat all such data as strictly confidential and to use such data only for the purpose of performance under this Agreement. Each Party agrees not to disclose data about the other Party's business, unless such disclosure is required by lawful subpoena or order, to any person without first securing the written consent of the other Party.
- 20. <u>Disclaimer of Agency.</u> Nothing in this Agreement shall constitute a Party as a legal representative or agent of the other Party, nor shall a Party have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against or in the name of or on behalf of the other Party unless otherwise expressly permitted by such other Party. No Party undertakes to perform any obligation of the other Party whether regulatory or contractual, or to assume any responsibility for the management of the other Party's business.
- 21. <u>Business Records</u>. Each Party is responsible for the accuracy of its data as submitted to the other Party. Upon reasonable written notice, each Party or its authorized representative shall have the right to conduct a review of the relevant data possessed by the other Party to assure compliance with the provisions of this Agreement. The review will consist of any examination and verification of data involving records, systems, procedures and other information related to the services performed by either Party as it relates to charges or payments made in connection with this Agreement. Each Party's right to access information for a verification review purposes is limited to data not in excess of twelve (12) months in age. A Party's right to request a review is limited to once every twelve (12) months. The Party requesting a verification review shall fully bear its own costs associated with conducting a review. The Party being reviewed will provide reasonable access to necessary and applicable information at no charge to the reviewing Party during normal business hours.
- Assignments, Successors and Assignees. A Party may not assign or transfer this Agreement without the prior written consent of the other Party, which consent shall not be

unreasonably withheld or delayed. Notwithstanding the forgoing, a Party may assign this Agreement, or any portion thereof, without consent to any entity that controls, is controlled by or is under common control with the assigning Party. Any such assignment shall not in any way affect or limit the rights and obligations of the Parties under the terms of this Agreement. The Agreement shall be binding upon and inure to the benefit of the Parties hereto and their lawful successors and assigns. A Party making the assignment shall notify the Commission and the other Party sixty (60) days in advance of the effective date of the assignment.

- 23. <u>Force Majeure</u>. Neither Party shall be liable for any delay or failure in performance of any part of this Agreement from any cause beyond its reasonable control, including, without limitation, acts of nature, acts of civil or military authority, government regulations, embargoes, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, power blackouts, other major environmental disturbances or unusually severe weather conditions (collectively, a "Force Majeure Event").
- 24. No Third Party Beneficiaries. This Agreement does not provide any person not a Party, assignee or successor to this Agreement and shall not be construed to provide any such third parties with any remedy, claim, liability, reimbursement, cause of action, or other privilege in excess of those existing without reference to this Agreement. Notwithstanding the foregoing, the Parties agree to give notice to the Commission of any lawsuit or other proceeding that involves or arises under this Agreement to ensure the Commission has the opportunity to seek to intervene in the proceeding on behalf of the public interest.
- 25. Notices. Notices given by one Party to the other Party under this Agreement shall be in writing to the addresses of the Parties set forth below and shall be (i) delivered personally; (ii) delivered by express delivery service; (iii) mailed, certified mail or first class U.S. mail postage prepaid, return receipt requested; or (iv) delivered by facsimile copy. Any such notice given under this Agreement shall be effective upon receipt of the Party.

## Verizon Wireless:

Verizon Wireless
Attention: Regulatory Counsel Interconnection
1300 I Street NW, Suite 400W
Washington D.C. 20005
Telephone: (202) 589-3756
Facsimile: (202) 589-3750

With copy to: Verizon Wireless Attention: Mary Bacigalupi 2785 Mitchell Drive MS 7-1 Walnut Creek, CA 94598 Telephone: (925) 279-6006 Facsimile: (925) 279-6621

#### Carrier:

Midcontinent Communications Attention: Regulatory Affairs 5001 W 41<sup>st</sup> Street Sioux Falls, SD 57106 Telephone: (605) 357-5459 Facsimile: (605) 339 4419 Any Party may specify a different address by notifying the other Party in writing of such different address in the manner provided in this Section.

- 26. Governing Law. This Agreement shall be governed by the laws of the State of South Dakota, except insofar as federal law may control any aspect of this Agreement, in which case, federal law shall control.
- 27. Entire Agreement. This Agreement constitutes the entire agreement between the Parties and supersedes all prior oral or written agreements, representations, statement, negotiations, understandings, proposals and undertakings with respect to the subject matter hereof.
- 28. <u>Amendments</u>. This Agreement may not be modified or amended other than by a written instrument executed by both Parties. Any amendment, modification, or supplement to this Agreement shall be filed with the Commission and approved by the Commission as may be required by applicable law.
- 29. <u>Counterparts</u>. The undersigned signatories represent they have the authority to execute this Agreement on behalf of their respective companies. This Agreement can be executed in separate parts which together will constitute a single, integrated Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first written above.

Verizon Wireless (VAW) LLC d/b/a Verizon Wireless

Bismarck MSA limited Partnership d/b/a Verizon Wireless By Cellular Inc Network Corporation, Its General Partner

Northwest Dakota Cellular of North Dakota Limited Partnership

By: CommNet Cellular Inc., Its Managing Agent

North Central RSA 2 of North Dakota L.P.

By: CommNet Cellular Inc., Its Managing Agent

North Dakota RSA No. 3 Limited Partnership By AirTouch North Dakota, LLC, Its General Partner

Badlands Cellular of North Dakota Limited Partnership

Midcontinent Communications Investor, LLC

Managing Partner of Midcontinent Communications

By: 1 60,05550

Title: CFC

Signature page (con't) – Midcontinent and Verizon Wireless Reciprocal Transport and Termination Agreement

By: CommNet Cellular Inc., Its Managing Agent

North Dakota 5-Kidder Limited Partnership By: CommNet Cellular Inc., Its Managing Agent

By: David R. Heverling

Title: Area Vice President - Network

3 8 04

## EXHIBIT A

Transportation and Termination

Usage Rate (MOU)

Local Traffic: End Office Switching and Transport

\$0.010

## AFFIDAVIT OF SERVICE BY MAIL

| STATE OF NORTH DAKOTA | )    |
|-----------------------|------|
|                       | ) ss |
| COUNTY OF BURLEIGH    | )    |

Sara Carr hereby certifies that on March 29, 2004, she served a copy of the attached RECIPROCAL TRANSPORT AND TERMINATION AGREEMENT by placing a true and correct copy thereof in an envelope and depositing the same, with postage prepaid, in the United States mail at Bismarck, North Dakota. addressed to the following:

Verizon Wireless

Att: Regulatory Counsel - Interconnection

1300 1 Street NW, Suite 400W Washington, D.C. 20005 Verizon Wireless Att: Mary Bacigalupi 2785 Mitchell Drive MS 7-1 Walnut Creek, CA 94598

Sara Carr

Subscribed and sworn to before me this 29 day of March, 2004.

Notary Public Pust

My commission expires:

JEANNE A. FEIST Notary Public State of North Dakota My Commission Expires MARCH 7, 2007